



Venera Cristina Rindasu, Ivan Mihajlovic

## **Idea Management for Organisational Innovation**

*Modern organisations are under ever increasing competitive pressure to maintain market share, enhance product range, improve efficiency and reduce cost. The process by which organisations attain these improvements is through innovation. Over recent years, significant research has focused on the issue of managing the process of developing ideas towards eventual organisational innovations. However, the process by which these ideas are generated and effectively managed is one which currently operates in an "ad hoc" fashion.*

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### **1. Introduction**

The ability of an organisation to grow is dependent upon its ability to generate new ideas and to exploit them effectively for their long-term benefit of the organisation. Over the past number of years, much attention has been focused on managing the process of exploiting these ideas and progressing them into innovations (Dooley & O'Sullivan, 2000). However, the process by which organisations generate these ideas is one which has received significantly less attention and been allowed to develop in an "ad-hoc" fashion. Since the idea creation phase of the innovation process is relatively less costly in comparison to the later development stages of the process (Rochford, 1991), it is logical to maximise the output of the idea creation phase. In doing this, a larger number of higher calibre ideas will be available for exploitation by the organisation. Thus, through this greater choice of potential innovations as input for the innovation process, it is probable that the eventual outputs will be more effective and profitable, since increased competition between ideas will ultimately improve the quality of potential innovations being presented to the process.

## 2. Innovation

Confusion often "clouds" the exact meaning of the term "innovation". Tidd *et al.* (1997) state that "novelty is very much in the eye of the beholder". In its broadest sense, the term originates from the Latin *innovare*, meaning "to make something new". Essentially, innovation is a process of turning opportunity into new ideas and of putting these ideas into widely used practice. According to Tidd *et al.* (1997), innovation is a core process concerned with renewing what the organisation offers and optimising the way it generates and delivers its output.

Innovation may be classified according to the nature of the change it brings into effect (i.e. the degree of novelty). According to Rothwell and Gardiner (1985), innovation does not necessarily imply the commercialisation of only a major advance in the technological state of the art (a radical innovation), it includes the utilisation of even small scale changes in technological "know-how" (an improvement or incremental innovation). Burgelman *et al.* (1996) also identify types of innovation, namely incremental, radical and architectural. In their view, incremental innovations involve the adaptation, refinement and enhancement of existing products and services and/or production and delivery systems (e.g. the next generation of a microprocessor). Radical innovations involve entirely new product and service categories and/or production and delivery systems (e.g. wireless communications). Architectural innovations refer to reconfigurations of the system of components that constitute the product (e.g. the effects of miniaturisation of key radio components). Damanpour (1990) views innovation as falling into three categories, namely technology, administrative and ancillary innovations. He views the potential scope for innovative change as effecting the technology application of the organisation, the interaction between the organisation's social and technical systems and the interactions that occur across the organisational boundaries.

Ideas can originate either as a reaction to a certain situation, that compels the organisation into action or they can originate as a proactive action to exploit a new opportunity (Sadler, 1995). Van de Ven *et al.* (1989) suggests that ideas for innovations can originate from "a recombination of old ideas, a schema that challenges the present order, or a formula or unique approach that is perceived as new by the individuals involved". An innovative idea therefore can originate from a broad spectrum of sources. Potential innovative sources include customer complaints, corrective action systems, suggestion boxes, supplier developments and benchmarking studies. Drucker (1985) asserts his belief that the source of innovative opportunity arises from (1) unexpected occurrences, (2) incongruities,

(3) process needs, (4) market changes as well as changes in (5) demographics, (6) perception and (7) new knowledge. King (1990) notes a diffusion bias towards innovation being imported from outside the organisation, rather than internally generated. A possible reason for this may be that it is easier to adapt the creativity of someone else, than develop and maintain a creative organisational environment.

### **3. Creativity**

Creativity is that which "results in the generation of new and useful ideas or the combination of existing ideas into new and useful concepts to satisfy a need" (Farid-Foad *et al.*, 1993). Creativity has frequently been likened to a mysterious and powerful process owned by a select and fortunate few. However, according to Maslow (1954), creativity is not just the remit of genius, but instead is "the universal heritage of every human being". Therefore creative ability is something which is present in every individual and thus can be developed or suppressed.

#### **Defining creativity**

Amabile (1998) defines three components of creativity: expertise, creative-thinking skills and motivation. The level of creativity within an individual is relative to the mixture of these three components. Expertise refers to the technical and intellectual knowledge that an individual possesses, as well as the manner in which that organisation manages this collective knowledge. Creative thinking refers to the individual's skills that facilitate imaginative problem solving. Motivation refers to the intrinsic and extrinsic factors influencing an individual to be creative (Wreath, 1998). Each factor is interrelated and a development in one area can exert a significant effect on the other two. The environment can also contribute significantly to increasing expertise, creative thinking and motivation within an organisation and ultimately affect the creative output. The effective management of these three components of creativity, together with other relevant factors may increase an organisation's creative capability through developing an appropriate culture. Kao (1989), when discussing creativity, presents the view that creativity is the sum of the following functions: the creative person, the creative task and the organisational environment (i.e. culture). Therefore all of these elements need to be considered in order to enhance creativity.

Creativity is in essence an individual pursuit, which may or may not draw on others for inspiration and validation. One of the proposed methods by which creative action occurs is thought to concern incubation within the unconscious

mind of the individual which then presents the conscious mind with the creative ideas which the individual puts into action (Weisberg, 1986). Creative responses are the result of one of two processes: (a) a "new" situation contains elements similar to those of an old situation, thus these elements serve as the basis for generalising the old response to the new situation or (b) if the new situation is completely dissimilar to previous situations, then the solution is to behave randomly combining various responses in numerous ways. Problem solving creativity is proposed to consist of the generation of a novel solution to the problem based on one of these approaches. According to Majaro (1991), creativity can be divided into three categories, depending on how it originates. These are normative creativity, exploratory creativity and creativity by serendipity.

*Normative creativity*

Normative creativity focuses on generating ideas to solve specific needs, problems and objectives. Although the pre-defined nature of normative creativity renders it more cost-effective than other creative approaches, it may also restrict the field of creative vision.

*Exploratory creativity*

Exploratory creativity focuses on generating a broad spectrum of ideas, which may not necessarily be related to known requirements or demands. It differs from normative creativity in that it does not focus strictly on finding specific, almost pre-meditated solutions to known problems. Exploratory creativity reveals opportunities, which are not always exploitable in commercial terms, whereas normative creativity is results orientated. However, the exploratory creative approach is not "blinkered" by goal orientation and so may uncover a wider selection of ideas and suggestions from which a viable solution may emerge. Exploratory creativity is particularly useful for extrapolating from current knowledge and technology towards the future. A hybrid of normative and exploratory creativity can potentially provide a balanced combination of goal-orientation and imaginative freedom.

*Creativity by serendipity*

Creativity and the resulting innovation are said to take place by serendipity when the idea underlying the innovation is discovered by accident. Proctor (1999), however, suggests that idea generation is a process that does not occur by chance and maintains that ideas only occur "simultaneously" to those who are curious or inquiring or engaged in a hard search for opportunities, possibilities, answers or inventions. It is also widely recognised that immersion in one's subject matter can be an important factor in gaining creative insights. The creative thinker must be

sufficiently immersed in the problem to facilitate the reception of creative insights yet at the same time sufficiently detached from it, to consistently see it afresh.

#### **4. Creativity within the human resource**

The level of creative output within an organisation is dependent upon the creativity of its human resources (Cumming, 1999). Creativity is specific to the individual and dependent upon factors such as their education, skills, imagination and working environment. Brennan (1996) highlights that the failure of individuals to reach their full creative potential often relates to the inadequate development of both hemispheres of the human brain. The human brain can be viewed as being composed of the left and right brain; the left brain is associated with logic, detailed orientated facts and words where as the right brain is associated with feelings, imagination, symbols and images. In relation to creativity, there is a need to focus on an individual's training and education relative to the development of both sides of the brain, thus achieving a satisfactory balance within the individual. This ensures that the suggestions generated by the employees are a suitable mix of logical and imaginative ideas. The development of a learning organisation environment, where participation and empowerment flourish can contribute significantly to increasing expertise, creative thinking and motivation within an organisation and ultimately the level of innovation. The effective management of these three components can increase an organisation's creative capability through developing an innovative culture.

A negative mind-set can be one of the biggest obstructions to the creative process. According to Proctor (1999), mind-set is a condition where an individual is over-sensitised to some part of the available information at the expense of other parts. Mind-set dictates that there is one way to solve a problem: the tried and trusted method. Mind-set avoids challenging convention and trying new ideas. There is assumed safety and predictability in applying previous experience and traditional solutions to new problems. Mind-set can be of value in that it develops sensitivity to important or risky areas and creates an awareness of developing patterns in problem occurrence. However, mind-set or the "safe-bet" approach can stand in the way of progress and create difficulties when new or unprecedented problems arise.

Elam *et al.* (1987) claim that breaking the *cognitive* and *perceptual sets* of the individual and accommodating certain factors may lead to enhanced creativity. These factors include:

- *Divergent thinking*: characterised by the production of a variety of alternative solutions for a particular task.
- *Task motivation*: represents an individual's attitude to a task, in combination with his/her perceptions of the reasons for undertaking the task.
- *Incubation and retained control*: refers to (a) the cessation of conscious effort on a problem for a period of time *{incubation}* and (b) an individual's execution of the task in any manner he/she chooses *{retained control}*.
- *Competence*: pertains to the reduction of criticism and the affirmation of confidence in order to foster greater competence.
- *Stress*: can result in the early termination of alternative idea generation.

Similarly Finke (1992) identifies a number of initiatives to enhance creativity:

- Suspension of one's expertise
- Being sensitive to mental blocks, incubation
- Thinking divergent
- Redefining goals
- Searching for limitations
- Considering extreme possibilities
- Seeking out new relations by representing or restructuring the problem in form of mental images; visualisation and visual analogies.

## **5. The creative process**

Kao (1989) presents an alternative view of the individual's creative process. He views the process as consisting of six phases. According to Kao (1989), the initial phase of the creativity process is "interest", where an individual's intuition or emotion leads him or her to scan the environment for opportunities or solutions. The second stage of the process is "preparation", where planning is undertaken to "prepare for the expedition". Following this stage, the process enters the "incubation" phase, where the individual utilises intuition to "think things over". This stage can be of indefinite duration and is often enhanced by outside influences and communication. The successful end of the "incubation" phase is denoted by the "illumination" phase, where the idea or solution finally "comes together" from the intuition of the individual in "the 'eureka' experience". The next stage of the creative process is that of "verification", where individuals rationally validates their creative output relative to the desired output. In the event that there are irregularities, the individual may return to earlier stages of the process to rework

the process based on the new knowledge gained. In the event that the output is deemed positive, the "exploitation" phase of Kao's model begins where the individual or organisation rationally tries to "capture value from the creative act". This final phase of the creative process may be viewed as representing the beginning of the innovation process rather than the creative process but also emphasises the importance of tight correlation between both processes to prevent potentially valuable creative acts from being "unintentionally dropped" (Rosenfeld & Servo, 1991).

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*Addresses:-*

- Assoc.prof. Dr. Venera Randasu, "Eftimie Murgu" University of Reşiţa, Piaţa Traian Vuia, nr. 1-4, 320085, Reşiţa, [veneracristina@yahoo.com](mailto:veneracristina@yahoo.com)
- Lect.dr. Ivan Mihajlovic, University of Belgrad, Technical Faculty of Bor, Serbia, [imihajlovic@tf.bor.ac.yu](mailto:imihajlovic@tf.bor.ac.yu)